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are useful; it is convenient to have lists of the popes, emperors and other rulers. In short, the work is well planned and scholarly, brilliant in some parts, and everywhere serviceable.

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Workingmen's Insurance. By WILLIAM F. WILLOUGHBY. Pp. vii, 386. Price, \$1.75. New York and Boston: Thomas Y. Crowell & Co., 1898.

Perhaps no movement for social betterment has made less progress in the United States than the insurance of workingmen against accidents, sickness and old age. It is true that we have our great fraternal organizations, but they fail to reach the larger mass of workingmen. It is true that many labor unions have sick and accident benefits, but their number is comparatively small, and the work they do is scarcely based on sound scientific principles. It is true, also, that several of the larger railroad systems have organized insurance societies for their employes, but the number of these is limited, and they, too, are built on faulty actuarial principles, when they do not possess positively unjust features. So far as insurance against old age and invalidity is concerned, it can scarcely be said that a beginning has been made. Of course, the reason for this backwardness with regard to workingmen's insurance is found in the intensely dynamic conditions of industry in America, which have thus far prevented providence and saving from becoming essential virtues. As Mr. Willoughby well illustrates it, there is no class of laborers in America, as there is in England, who look forward to spending their old age in the poor-house.

Not only, however, are we lacking in practical experimentation, but also in knowledge of the history of workingmen's insurance in other countries. Those who have not made a special study of the subject in German and French works may obtain some knowledge of the German compulsory system from discussions in current periodicals, and a single government report; and a slight acquaintance with the work done by the great English friendly societies from a few English works, but this is practically all. It is for this reason that Mr. Willoughby, in presenting this first real contribution to American economic literature upon the subject, has been obliged to write a work largely descriptive. He does not undertake to make an exhaustive analysis of the many economic problems connected with the different European schemes, though he has treated some and touched upon others; so those who desire light upon the ultimate effects of compulsory insurance upon wages, profits and cost will find

this book of little assistance. To those who desire to gain some adequate information regarding the history of the movement in the different continental countries, the principles underlying the different systems, the problems of administration involved, and the present status of the question, however, Mr. Willoughby's work can be commended.

Our review must be largely descriptive. In the first chapter the three oldest branches of workingmen's insurance, those against accident, sickness and old age, are considered; the question of insurance against unemployment being discussed in an appendix. In general Mr. Willoughby finds that the movement for insurance is an "effort to substitute for the old relief funds institutions founded upon scientific principles whereby each workingman himself provides for the relief he may probably need." When, however, we come to a consideration of how the burden of insurance should be borne, we see that whereas in the case of old age and sickness it is considered just that the workingman should pay the greater share at least of the dues, for here it is only a question of his own personal betterment; in the case of accident all scientific systems assume that the greater share, if not the whole of the dues, should be paid by the employer. Mr. Willoughby fully endorses the ground, which is generally held in Europe now, that insurance against accident should be considered as a "trade risk" pure and simple, that is as an element of cost. The history of the embodiment of this idea of trade risk in the laws regarding employers' liability is described in general in this opening chapter, and more in detail, with regard to the separate countries in the following chapters. As a purely economic proposition there is, of course, no reason why employer or state should assist in the payment of dues or the establishment of state institutions, or the granting of subsidies to private societies, with reference to old age or sickness insurance. It is only the social betterment which may result that justifies such aid. Nothing should be so distinctly emphasized as that insurance against accident with little or no cost to the person insured is the simple right of a workingman, while insurance against sickness or old age is not a right and should be due largely to the workman's own efforts.

We are obliged to pass over Mr. Willoughby's exposition of some simple actuarial principles which are present in all sound systems, as well as his discussion of some administrative details.

Basing his description largely on official reports, Mr. Willoughby next proceeds to consider the different European countries in detail. He commences with a careful examination of compulsory insurance in Germany and in Austria. It will not be necessary to give the

details of this system which is comparatively well known. It is interesting to note, however, that Mr. Willoughby believes that compulsory insurance with its centralizing tendency, has not yet satisfactorily coped with malingering and simulation in regard to sickness insurance. On the other hand, he does not believe that compulsory accident insurance has increased the carelessness of employes. This is well shown from the official reports, which, while indicating a large increase in the number of smaller accidents, shows an absolute decrease in the number of accidents resulting in deaths or total permanent disability, which of necessity are more accurately defined than any others. Of course, it is to be expected that as the system becomes better known, slight accidents which would in the beginning be suffered in silence, would ultimately be considered as sufficiently serious to warrant a claim for indemnity. An accident to be indemnified at all, it will be remembered, must cause partial or permanent disability for at least thirteen weeks. Otherwise indemnification must come through the sickness insurance.

In France we find a large number of mutual aid societies which are not working on sound insurance principles. We find also a national bank for insurance against old age, where an individual can insure himself or where an employer can insure all his employes. The bank has been chiefly important as a collective insurer though even here its transactions have been very much limited. Mr. Willoughby deems its reorganization one of the essential conditions to the proper development of old age insurance in France. But the most important development of all in France is the growth of insurance societies organized by employers or associations of employers. Beginning with railroad and mining companies, they now include national associations of manufacturers, thus bringing in the employes of even small establishments. One of the most hopeful signs in France is the growth of these insurance societies, some of which insure only against accident; others against accident, sickness and old age. In Belgium the conditions are much akin to those in France. To be noticed particularly, however, is the pronounced efficiency of the societies organized by the Belgian mining companies. In Italy we have an example in the national bank for the insurance of workingmen against accidents of the important results that can be achieved by an insurance institution organized under the auspices of, and yet not managed by, the state. In Italy also we notice a pronounced trend of public opinion toward compulsory insurance, at least against accident, though in the beginning nothing would have been more bitterly fought than such a proposition. In England the growth of the great friendly societies, and the gradual acceptance of sound scientific

principles in their insurance systems occupies most of our attention. As for insurance against old age, which is apparently becoming a "living question" in England, Mr. Willoughby makes the following keen observation: "The question in England, therefore, is not whether the state should aid the aged poor, for that it already does through the poor-law service, but whether it could not better aid them by some systematic plan of insurance. It is important to note that in England the problem of old age insurance is posed as a poor-law reform, and not as on the continent, as a pure workingman question."

In conclusion, Mr. Willoughby sums up the history of workingmen's insurance as represented in three great movements: first, the transformation which is going on in every country of mutual aid and charitable relief societies into scientific insurance organizations; second, the profound change in public sentiment, as indicated in amended laws regarding employers' liability and the treatment of accidents as a trade risk; third, the movement toward compulsory insurance. We think that here Mr. Willoughby makes too broad a statement. So far as we can observe from the facts he has given us, there is a strong tendency toward compulsory insurance against accidents, but a similarly strong tendency cannot be observed regarding the other two forms. In the same paragraph he writes: "State encouraged, state aided or state compelled insurance, must therefore, be accepted as the definitely adopted policy of European nations." No objection can be made to the statement thus modified. We think, also, that the summary is not complete without an added word regarding the quite unsatisfactory progress of old age insurance, and the generally chaotic condition it is in at the present time, except, perhaps, in Germany and Austria.

With regard to the policy to be adopted in America the author suggests the following reforms: first, the education of the people regarding the real nature of workingmen's insurance; second, the development and betterment along scientific lines of the sick insurance work now done by labor organizations, and a similar development of whatever old age and invalidity insurance is attempted by them; third, a reform of employers' liability laws and development, improvement and extension into other industrial fields of societies similar to those already organized by some railroads. Mr. Willoughby sees no present prospect of the growth of old age insurance in the United States.

In an appendix the author has reviewed the few experiments in insurance against unemployment made in Switzerland. His judgment is that they are really not experiments in insurance, because

'insurance pre-supposes the risk insured against shall possess two characteristics: it must be well defined and be the consequence of a chance that can be estimated with some degree of certainty. The risk of unemployment fails neither of these conditions. It is not well defined since it is difficult to say what work the unemployed should be required to accept. It does not depend upon chance, because the personal element involved in seeking and retaining work, to say nothing of the uncertainty of the employer's action, enter so largely.' As experiments in dealing with unemployment, however, they are worthy of study; they certainly indicate great progress over indiscriminate relief. This progress is indicated in the fact that those applying for help must already have made some definite contribution for a stated period to the fund, that only *bona fide* residents can receive aid, and that the employed are brought under the authority of the city authorities, and their re-employment is made more probable through the agency of public employment bureaus.

We have left space only for a few words of criticism. Painstaking and careful as Mr. Willoughby has been in his study of systems, we must confess to a sense of disappointment with reference to his exposition of insurance against old age. It is true, as has been remarked before, less progress toward a sound footing has been made in Europe in this form of insurance than in any other. Yet we think that a concise statement of the problems involved, and of the principles that have been assumed in this or that experiment, would have been of some help. We question if a consideration of old age insurance by itself, apart from a discussion of the individual state systems, might not have clarified the exposition somewhat. The book is particularly strong in its presentation of administrative difficulties, false actuarial principles, and statistical analyses. It, therefore, possesses the somewhat unique distinction of being of value both to students of social conditions, and to those practically concerned with the management of insurance companies dealing with the working classes.

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